

Investor Presentation

For the Quarter Ended – October 31, 2014

December 2 • 2014

Q4|14



Forward Looking Statements & Non-GAAP Measures

Caution Regarding Forward-Looking Statements

Bank of Montreal's public communications often include written or oral forward-looking statements. Statements of this type are included in this document, and may be included in other filings with Canadian securities regulators or the U.S. Securities and Exchange Commission, or in other communications. All such statements are made pursuant to the "safe harbor" provisions of, and are intended to be forward-looking statements under, the United States Private Securities Litigation Reform Act of 1995 and any applicable Canadian securities legislation. Forward-looking statements may involve, but are not limited to, comments with respect to our objectives and priorities for 2015 and beyond, our strategies or future actions, our targets, expectations for our financial condition or share price, and the results of or outlook for our operations or for the Canadian, U.S. and international economies.

By their nature, forward-looking statements require us to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that predictions, forecasts, conclusions or projections will not prove to be accurate, that our assumptions may not be correct and that actual results may differ materially from such predictions, forecasts, conclusions or projections. We caution readers of this document not to place undue reliance on our forward-looking statements as a number of factors could cause actual future results, conditions, actions or events to differ materially from the targets, expectations, estimates or intentions expressed in the forward-looking statements.

The future outcomes that relate to forward-looking statements may be influenced by many factors, including but not limited to: general economic and market conditions in the countries in which we operate; weak, volatile or illiquid capital and/or credit markets; interest rate and currency value fluctuations; changes in monetary, fiscal or economic policy; the degree of competition in the geographic and business areas in which we operate; changes in laws or in supervisory expectations or requirements, including capital, interest rate and liquidity requirements and guidance; judicial or regulatory proceedings; the accuracy and completeness of the information we obtain with respect to our customers and counterparties; our ability to execute our strategic plans and to complete and integrate acquisitions, including obtaining regulatory approvals; critical accounting estimates and the effect of changes to accounting standards, rules and interpretations on these estimates; operational and infrastructure risks; changes to our credit ratings; general political conditions; global capital markets activities; the possible effects on our business of war or terrorist activities; disease or illness that affects local, national or international economies; natural disasters and disruptions to public infrastructure, such as transportation, communications, power or water supply; technological changes; and our ability to anticipate and effectively manage risks associated with all of the foregoing factors.

We caution that the foregoing list is not exhaustive of all possible factors. Other factors and risks could adversely affect our results. For more information, please see the Enterprise-Wide Risk Management section on pages 77 to 105 of BMO's 2014 Annual MD&A, which outlines in detail certain key factors and risks that may affect Bank of Montreal's future results. When relying on forward-looking statements to make decisions with respect to Bank of Montreal, investors and others should carefully consider these factors and risks, as well as other uncertainties and potential events, and the inherent uncertainty of forward-looking statements. Bank of Montreal does not undertake to update any forward-looking statements, whether written or oral, that may be made from time to time by the organization or on its behalf, except as required by law. The forward-looking information contained in this document is presented for the purpose of assisting our shareholders in understanding our financial position as at and for the periods ended on the dates presented, as well as our strategic priorities and objectives, and may not be appropriate for other purposes.

Assumptions about the level of default and losses on default were material factors we considered when establishing our expectations regarding the future performance of the transactions into which our credit protection vehicle has entered. Among the key assumptions were that the level of default and losses on default would be consistent with historical experience. Material factors that were taken into account when establishing our expectations regarding the risk of future credit losses in our credit protection vehicle and risk of loss to Bank of Montreal included industry diversification in the portfolio, initial credit quality by portfolio, the first-loss protection incorporated into the structure and the hedges into which Bank of Montreal has entered.

Assumptions about the performance of the Canadian and U.S. economies, as well as overall market conditions and their combined effect on our business, are material factors we consider when determining our strategic priorities, objectives and expectations for our business. In determining our expectations for economic growth, both broadly and in the financial services sector, we primarily consider historical economic data provided by the Canadian and U.S. governments and their agencies. See the Economic Developments and Outlook section on page 30 of BMO's 2014 Annual MD&A.

Non-GAAP Measures

Bank of Montreal uses both GAAP and non-GAAP measures to assess performance. Readers are cautioned that earnings and other measures adjusted to a basis other than GAAP do not have standardized meanings under GAAP and are unlikely to be comparable to similar measures used by other companies. Reconciliations of GAAP to non-GAAP measures as well as the rationale for their use can be found in Bank of Montreal's Fourth Quarter 2014 Earnings Release and BMO's 2014 Annual MD&A, all of which are available on our website at www.bmo.com/investorrelations.

Examples of non-GAAP amounts or measures include: efficiency and leverage ratios; revenue and other measures presented on a taxable equivalent basis (teb); amounts presented net of applicable taxes; adjusted net income, revenues, provision for credit losses, non-interest expenses, earnings per share, effective tax rate, ROE, efficiency ratio and other adjusted measures which exclude the impact of certain items such as credit-related items on the purchased performing loan portfolio, acquisition integration costs, amortization of acquisition-related intangibles assets, decrease (increase) in collective allowance for credit losses, run-off structured credit activities and restructuring costs.

Bank of Montreal provides supplemental information on combined business segments to facilitate comparisons to peers.

Strategic Highlights

For the Quarter Ended – October 31, 2014

December 2 • 2014

Bill Downe

Chief Executive Officer

Q4|14



2014 Financial Highlights

Our performance and momentum reflects a well-executed customer-focused strategy

- Adjusted¹ net income \$4.5 billion or \$6.59 per share
 - Earnings per share up 6%
 - Revenue up 9% to \$16.7 billion
 - ROE of 14.4%

- Good performance and momentum from our operating groups including strong organic volume growth

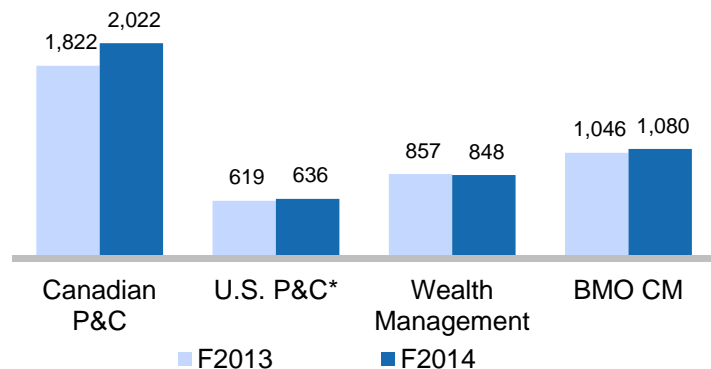
- Strong capital with CET1 ratio of 10.1%
 - Annual declared dividend increased to \$3.20/share

¹Adjusted measures are non-GAAP measures. See slide 2 of this document, page 32 of BMO's 2014 Annual MD&A and page 19 of BMO's Fourth Quarter 2014 Earnings Release
Reported results: EPS \$6.41; revenue \$16.7B; ROE 14.0%. See slide 26 for adjustments to reported results.

Operating Group Performance

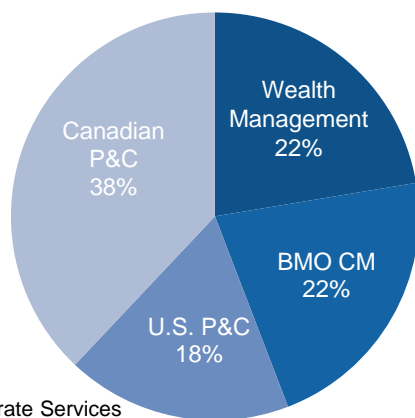
Results reflect benefit of diversification and our advantaged business mix

F2014 Adjusted¹ Net Income (C\$MM)



* In US\$MM

F2014 Operating Group Revenue^{**}



** Excludes Corporate Services

- Canadian P&C had record earnings of over \$2B with 2% operating leverage
- U.S. P&C earnings up 3% reflecting improved trends in revenue and earnings growth in the second half of the year
- BMO CM earnings of \$1.1B with a strong ROE of 19% benefiting from revenue growth of 10% led by I&CB
- Wealth Management earnings of \$848MM with strong underlying earnings growth of 15%²

¹ Adjusted measures are non-GAAP measures. See slide 2 of this document, page 32 of BMO's 2014 Annual MD&A and page 19 of BMO's Fourth Quarter 2014 Earnings Release.

² Excluding a security gain of \$121MM after-tax in the prior year

For details on adjustments refer to slide 26. Reported and adjusted revenue contribution by operating group are equal. For details on reported net income for operating groups please refer to slides 11 to 14 of this document.

Clear and Consistent Strategy

1

Achieve industry-leading customer loyalty by delivering on our brand promise.

2

Enhance productivity to drive performance and shareholder value.

3

Leverage our consolidated North American platform to deliver quality earnings growth.

4

Expand strategically in select global markets to create future growth.

5

Ensure our strength in risk management underpins everything we do for our customers.

Financial Results

For the Quarter Ended – October 31, 2014

December 2 • 2014

Tom Flynn

Chief Financial Officer

Q4|14



F2014 - Financial Highlights

Record Adjusted Net Income of \$4.5B with EPS growth of 6%

Adjusted (\$B) ^{1,2}	F2013	F2014
Revenue	15.4	16.7
Expense	9.8	10.8
Net Income	4.2	4.5
Diluted EPS (\$)	6.21	6.59
ROE (%)	15.0	14.4
Common Equity Tier 1 (CET1) Ratio (%)	9.9	10.1

- Adjusted EPS up 6%; net income up 5%
- Good operating group performance
 - Strong net income growth of 11% with 2%+ operating leverage in Canadian P&C
 - Growth of 3% in U.S. P&C net income with continued strong loan growth
 - Good momentum in Wealth Management with earnings up 15% Y/Y excluding a security gain in the prior year
 - BMO CM net income up 3%, with revenue growth across both businesses and good contribution from U.S.
- PCL³ up \$204MM due to lower recoveries
 - Good underlying credit trends
- Effective tax rate⁴ of 17.5% compared to 19.7% in F2013
- ROE of 14.4% on stronger capital position
- Well positioned heading into F2015

¹ See slide 26 for adjustments to reported results

² Reported Revenue: F2014 \$16.7B; F2013 \$16.1B; Reported Expenses: F2014 \$10.9B; F2013 \$10.2B

Reported Net Income: F2014 \$4.3B; F2013 \$4.2B; Reported EPS – diluted: F2014 \$6.41; F2013 \$6.17; Reported ROE: F2014 14.0%; F2013 14.9%

³ Reported PCL down \$26MM

⁴ Reported effective tax rate: F2014 17.3%

Adjusted measures are non-GAAP measures. See slide 2 of this document, page 32 of BMO's 2014 Annual MD&A and page 19 of BMO's Fourth Quarter 2014 Earnings Release

Q4 2014 - Financial Highlights

Adjusted Net Income of \$1.1B with good underlying growth in retail businesses

Adjusted (\$MM) ^{1,2}	Q4 13	Q3 14	Q4 14
Revenue	4,010	4,215	4,340
Expense	2,485	2,708	2,834
Net Income	1,088	1,162	1,111
Diluted EPS (\$)	1.62	1.73	1.63
ROE (%)	15.0	14.9	13.7
Common Equity Tier 1 (CET1) Ratio (%)	9.9	9.6	10.1

- Results reflect benefits of diversified business model
- Adjusted EPS of \$1.63, up 1% from Q4'13 which included a \$121MM security gain
- Net income up 2% Y/Y
 - Continued momentum in P&C businesses and Wealth
 - BMO CM results impacted by market conditions, lower client activities and \$28MM after tax for introduction of funding valuation adjustment
- Revenue up 8% Y/Y driven by Canadian P&C and Wealth Management, with all groups up Y/Y
- Expenses up 14% Y/Y
 - Addition of F&C, impact of the stronger U.S. dollar and the settlement of a legal matter accounted for half the growth
 - Higher technology and regulatory costs, employee costs and marketing costs drove the remaining 7% growth
- PCL³ of \$170MM up Y/Y and Q/Q largely due to lower recoveries
- Adjusted effective tax rate⁴ of 16.8% or 22.6% on teb basis

¹ See slide 26 for adjustments to reported results

² Reported Revenue: Q4'14 \$4,340MM; Q3'14 \$4,215MM; Q4'13 \$4,138MM; Reported Expenses: Q4'14 \$2,887MM; Q3'14 \$2,756MM; Q4'13 \$2,580MM;

Reported Net Income: Q4'14 \$1,070MM; Q3'14 \$1,126MM; Q4'13 \$1,074MM; Reported EPS – diluted: Q4'14 \$1.56; Q3'14 \$1.67; Q4'13 \$1.60; Reported ROE: Q4'14 13.1%; Q3'14 14.4%; Q4'13 14.8%

³ Reported PCL: Q4'14 \$170MM, down Y/Y and up Q/Q

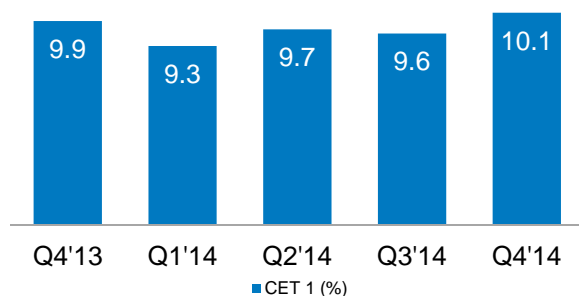
⁴ Reported effective tax rate: Q4'14 16.6%

Adjusted measures are non-GAAP measures. See slide 2 of this document, page 32 of BMO's 2014 Annual MD&A and page 19 of BMO's Fourth Quarter 2014 Earnings Release

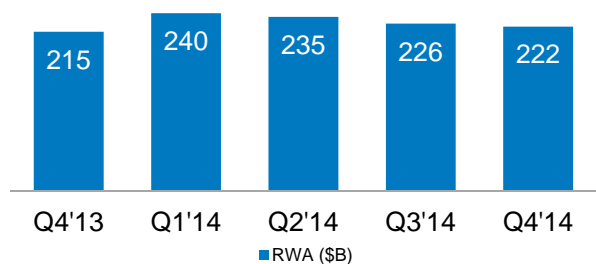
Capital & Risk Weighted Assets

CET1 Ratio strong at 10.1%

Common Equity Tier 1 Ratio (%)



Risk Weighted Assets (\$B)

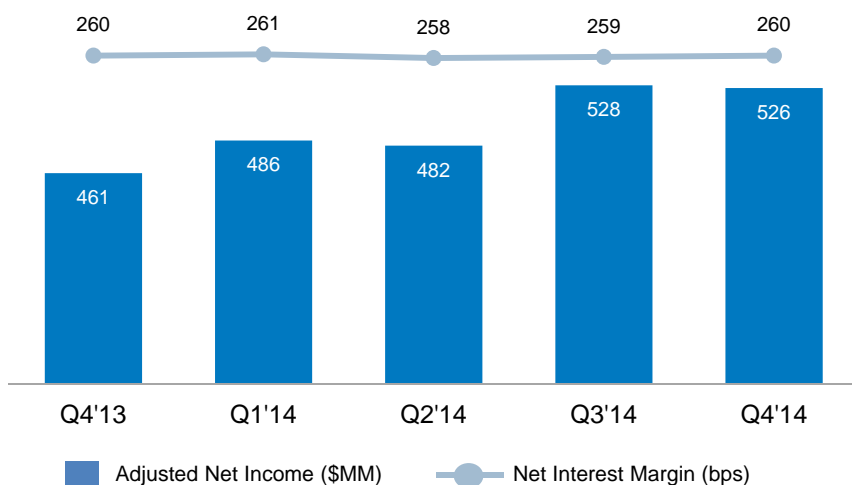


- Common Equity Tier 1 Ratio of 10.1% increased by ~50 bps from Q3'14 due to CET1 capital increase of ~35 bps and RWA reduction of ~ 15bps:
 - Higher CET1 capital mainly driven by retained earnings growth and AOCI due to FX movements
 - RWA down approximately \$4 billion from previous quarter to \$222 billion driven by:
 - Changes in methodology (-\$5B)
 - Book quality including risk mitigation (-\$5B)
 - Lower market risk (-\$1B)
 - Partially offset by business growth (+\$4B) and higher FX impact, which is largely hedged (+\$3B)

Canadian Personal & Commercial Banking

Strong Q4 net income growth of 14%

Adjusted (\$MM) ¹	Q4 13	Q3 14	Q4 14
Revenue (teb)	1,566	1,660	1,673
PCL	166	134	133
Expenses	788	823	837
Net Income	461	528	526
Reported Net Income	458	526	524
Efficiency Ratio² (%)	50.3	49.5	50.0



See slide 26 for adjustments to reported results

¹ Reported Revenue and PCL: same as adjusted amounts; Reported Expenses: Q4'14 \$838MM; Q3'14 \$825MM; Q4'13 \$791MM

² Reported efficiency ratio: Q4'14 50.1%; Q3'14 49.7%; Q4'13 50.5%

Adjusted measures are non-GAAP measures. See slide 2 of this document, page 32 of BMO's 2014 Annual MD&A and page 19 of BMO's Fourth Quarter 2014 Earnings Release

Annual Highlights

- Adjusted net income above \$2.0B, up 11% with PPPT growth of 8% and operating leverage of 2.1%

Q4 Highlights

- Adjusted net income up 14% Y/Y on strong revenue growth and lower credit losses. Stable Q/Q
- Revenue growth of 7% Y/Y reflecting higher balances and fees. Moderately up Q/Q
 - Good volume growth with loans up 5% and deposits up 9% Y/Y
 - NIM up 1 bp Q/Q
- PCL down \$33MM Y/Y and flat Q/Q
- Expenses up 6% Y/Y and 2% Q/Q due to continued investment in the business and higher variable compensation consistent with business growth
- Efficiency ratio of 50.0%, better by 30 bps Y/Y

U.S. Personal & Commercial Banking

Adjusted pre-provision, pre-tax earnings up 5% Y/Y with operating leverage of 1.3%

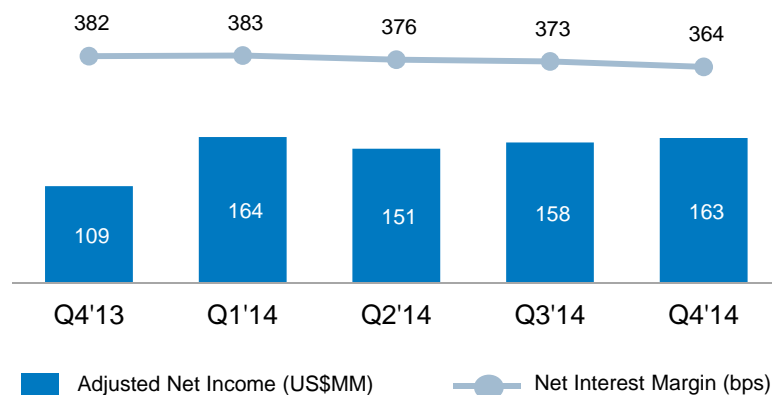
Adjusted (US\$MM) ¹	Q4 13	Q3 14	Q4 14
Revenue (teb)	688	707	705
PCL	92	49	38
Expenses	440	443	445
Net Income	109	158	163
Reported Net Income	98	147	152
Efficiency Ratio ² (%)	64.1	62.6	63.2

Annual Highlights

- Adjusted net income of \$636MM, up 3% driven by continued strong performance from commercial

Q4 Highlights

- Adjusted net income up 48% Y/Y and 3% Q/Q
- Revenue up 3% Y/Y due to strong commercial loan growth and increased deposits partially offset by lower net interest margin; relatively stable Q/Q
 - Net interest margin down 9 bps Q/Q, due to competitive pressure on loan spreads and portfolio mix
- Loans³ up 9% Y/Y with continued strong growth in core C&I balances of 21%
- PCL down Q/Q and Y/Y. Q4'13 was above trend
- Expenses continue to be well managed with operating leverage of 1.3%⁴ Y/Y



All comments on US\$ basis

¹ Reported Revenue and PCL: same as adjusted amounts; Reported Expenses: Q4'14 \$460MM; Q3'14 \$458MM; Q4'13 \$458MM

² Reported efficiency ratio: Q4'14 65.3%; Q3'14 64.7%; Q4'13 66.7%

³ Average current loans and acceptances excludes impaired loans

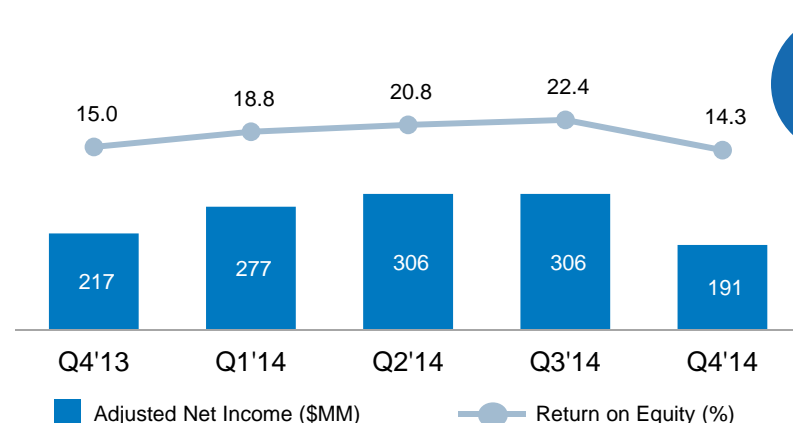
⁴ Reported operating leverage 2.1%

Adjusted measures are non-GAAP measures. See slide 2 of this document, page 32 of BMO's 2014 Annual MD&A and page 19 of BMO's Fourth Quarter 2014 Earnings Release
See slide 26 for adjustments to reported results

BMO Capital Markets

Q4 Results reflect less favourable market conditions and lower client activities

Adjusted (\$MM) ¹	Q4 13	Q3 14	Q4 14
Trading Products Revenue	482	596	469
I&CB Revenue	315	390	342
Revenue (teb)	797	986	811
PCL	(17)	(6)	(7)
Expenses	526	589	574
Net Income	217	306	191
Reported Net Income	217	306	191
Efficiency Ratio (%)	66.1	59.8	70.7



Annual Highlights

- Annual net income of \$1.1B, up 3%, with 10% revenue growth, ROE of 19.2% and continued traction in U.S. business

Q4 Highlights

- Adjusted net income down 12% Y/Y and down from a strong Q3
- Introduction of funding valuation adjustment reduced net income by \$28MM and revenue by \$39MM
- Revenue up 2% Y/Y and down 18% Q/Q
 - Y/Y revenue flat excluding FX due to higher corporate banking revenue, equity underwriting fees, and net securities gains, offset by lower trading revenue including funding valuation adjustment
 - Q/Q down from a strong Q3, reflecting less favourable market conditions, lower client activity and funding valuation adjustment
- Expenses up 9% Y/Y and down 3% Q/Q
 - Y/Y expenses up 6% excluding FX due to higher employee-related expenses and costs in part due to a changing business and regulatory environment
 - Q/Q lower due to lower employee-related expenses

See slide 26 for adjustments to reported results

¹ Reported Results: same as adjusted amounts

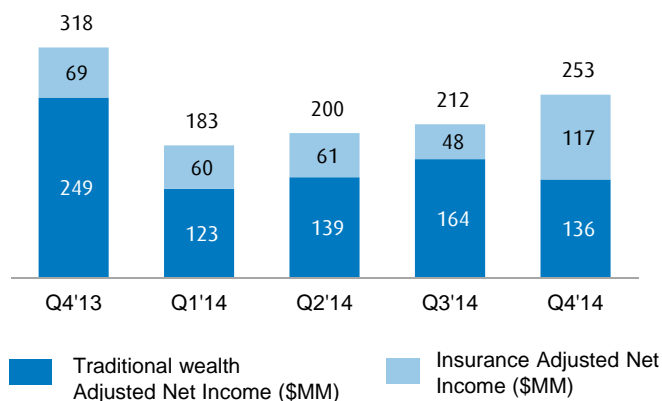
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Wealth Management

Underlying earnings up 28%¹ Y/Y with good organic growth and F&C

Adjusted ² (\$MM)	Q4 13	Q3 14	Q4 14
Revenue (teb)	1,040	988	1,100
PCL	1	(3)	(1)
Expenses³	593	716	781
Net Income	318	212	253
Reported Net Income	311	190	226
Efficiency Ratio⁴ (%)	57.1	72.5	71.0

Adjusted Net Income (\$MM)



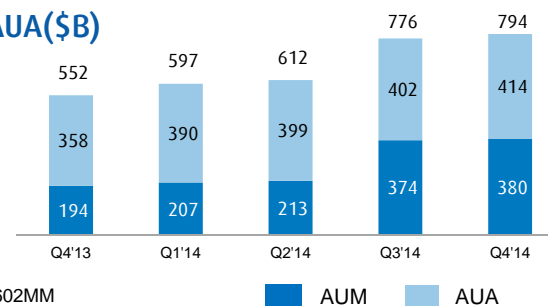
Annual Highlights

- Adjusted net income of \$848MM compared to \$857MM a year ago, with growth of 15% excluding a \$121MM after-tax security gain last year

Q4 Highlights

- Strong income in the quarter, up 18% Q/Q
- Traditional wealth impacted by security gain in Q4'13. Excluding this and settlement of legal matter in Q4'14 (\$23MM after-tax), earnings up 25% Y/Y reflecting F&C and good organic growth offset by higher than run-rate expenses
- Good Insurance results; current quarter includes the impact of beneficial changes in actuarial reserves of \$44MM after-tax
- Expenses up Y/Y primarily due to F&C and higher revenue-based costs. Q4'14 expenses above trend due to a few factors including costs related to the settlement of a legal matter of \$36MM pre-tax and marketing
- AUM/AUA up 44% Y/Y or 17% ex. F&C driven by market appreciation, the stronger U.S. dollar and growth in new client assets

AUM/AUA(\$B)



¹ Q4'14 underlying earnings growth calculated excluding a \$121MM after tax security gain in Q4'13

² Reported revenue and PCL: same as adjusted amounts; Reported expenses: Q4'14 \$815MM; Q3'14 \$745MM; Q4'13 \$602MM

³ Adjusted expenses in Q4'14 exclude \$11MM pre-tax for acquisition integration costs and \$13MM of amortization of intangible assets for F&C

⁴ Reported efficiency ratio: Q4'14 74.1%; Q3'14 75.5%; Q4'13 57.9%

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Corporate Services

Adjusted (\$MM) ^{1,2}	Q4 13	Q3 14	Q4 14
Revenue (teb)^{2,3}	(109)	(183)	(26)
PCL (recovery)^{3,4}	(106)	(47)	2
Expenses	120	103	148
Net Income	(22)	(55)	(39)

Annual Highlights

- Adjusted net loss of \$193MM compared to a net loss of \$133MM a year ago primarily due to lower credit recoveries, partly offset by the purchased performing loan portfolio results

Q4 Highlights

- Adjusted net loss of \$39MM compared to a net loss of \$22MM a year ago reflecting lower credit recoveries and higher technology and regulatory expenses partially offset by above trend revenue
- Q/Q adjusted net loss \$16MM better due to above trend revenues driven by higher net interest income and hedge gains partly offset by lower credit recoveries and higher technology and regulatory expenses

¹ Reported Revenue: Q4'14 \$(26)MM; Q3'14 \$(183)MM; Q4'13 \$19MM; Reported PCL (recovery): Q4'14 \$2MM; Q3'14 \$(47)MM; Q4'13 \$(57)MM; Reported expenses: Q4'14 \$148MM; Q3'14 \$103MM; Q4'13 \$184MM; Reported Net Income: Q4'14 \$(39)MM; Q3'14 \$(55)MM; Q4'13 \$(14)MM

² Operating group revenues, income taxes and net interest margin are stated on a taxable equivalent basis (teb). This teb adjustment is offset in Corporate Services, and total BMO revenue, income taxes and net interest margin are stated on a GAAP basis

³ Credit-related items in respect of the purchased performing loan portfolio: Q4'14 \$14MM pre-tax (\$9MM after-tax), includes revenue \$44MM, PCL \$30MM; Q3'14 \$50MM pre-tax (\$31MM after-tax)

⁴ Purchased credit impaired loan portfolio recoveries: Q4'14 \$33MM pre-tax (\$20MM after-tax); Q3'14 \$57MM pre-tax (\$35MM after-tax); Q4'13 \$104MM pre-tax (\$64MM after-tax)

Adjusted measures are non-GAAP measures. See slide 2 of this document, page 32 of BMO's 2014 Annual MD&A and page 19 of BMO's Fourth Quarter 2014 Earnings Release
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Risk Review

For the quarter ended October 31, 2014

December 2 • 2014

Surjit Rajpal

Chief Risk Officer

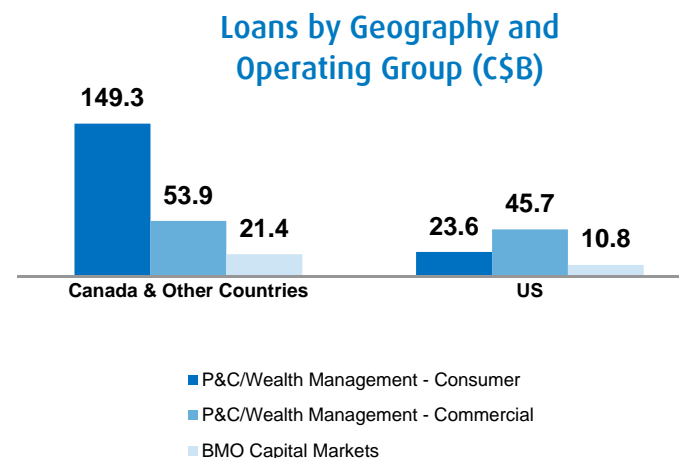
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Loan Portfolio Overview

Gross Loans & Acceptances By Industry (C\$B)	Canada & Other ¹	US	Total	% of Total
Residential Mortgages	93.0	8.0	101.0	33%
Personal Lending	49.0	15.1	64.1	21%
Credit Cards	7.5	0.5	8.0	3%
Total Consumer	149.5	23.6	173.1	57%
Financial	13.4	10.7	24.1	8%
Service Industries	11.7	10.5	22.2	7%
Commercial Real Estate	11.4	6.2	17.6	6%
Manufacturing	5.1	8.5	13.6	4%
Retail Trade	8.0	4.6	12.6	4%
Agriculture	7.3	1.9	9.2	3%
Wholesale Trade	3.9	4.4	8.3	3%
Oil & Gas	3.9	2.0	5.9	2%
Other Commercial & Corporate ²	10.4	7.7	18.1	6%
Total Commercial & Corporate	75.1	56.5	131.6	43%
Total Loans	224.6	80.1	304.7	100%

- Loans are well diversified by geography and industry



¹ Commercial & Corporate includes ~\$11.1B from Other Countries

² Other Commercial & Corporate includes industry segments that are each <2% of total loans

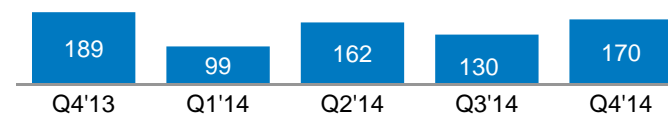
Provision for Credit Losses (PCL)

PCL By Operating Group (C\$MM)	Q4 13	Q3 14	Q4 14
Consumer – Canadian P&C	114	110	113
Commercial – Canadian P&C	52	24	20
Total Canadian P&C	166	134	133
Consumer – US P&C	55	30	32
Commercial – US P&C	41	22	11
Total US P&C	96	52	43
Wealth Management	1	(3)	(1)
Capital Markets	(17)	(6)	(7)
Corporate Services^{1,2}	(106)	(47)	2
Adjusted PCL	140	130	170
Purchased Performing ¹	49	-	-
Specific PCL	189	130	170
Change in Collective Allowance	-	-	-
Total PCL	189	130	170

- 1 Effective Q1'14, Corporate Services adjusted results include credit-related items in respect of the purchased performing loan portfolio. Specific provisions for credit losses were \$30MM in the current quarter, \$(3)MM in Q3'14, \$21MM in Q2'14 and \$34MM in Q1'14
- 2 Corporate Services results include purchased credit impaired loan recoveries of \$33MM in Q4'14, \$57MM in Q3'14 and \$104MM in Q4'13

- Operating groups had stable or improving results
- PCL increased Q/Q due to lower recoveries in Corporate Services
- Y/Y PCL decreased from 22 bps to 19 bps

Quarterly Specific PCL (C\$MM)

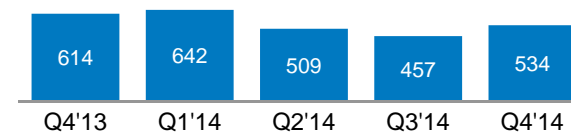


Gross Impaired Loans (GIL) and Formations

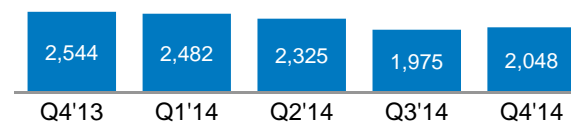
By Industry (C\$MM)	Formations			Gross Impaired Loans		
	Canada & Other	US	Total	Canada & Other ¹	US	Total
Consumer	174	129	303	398	678	1,076
Service Industries	4	37	41	35	210	245
Commercial Real Estate	5	21	26	71	101	172
Agriculture	10	2	12	66	45	111
Manufacturing	30	39	69	58	75	133
Construction (non-real estate)	3	4	7	29	71	100
Communications	0	59	59	0	59	59
Wholesale Trade	1	9	10	14	31	45
Retail Trade	2	4	6	16	30	46
Other Commercial & Corporate ²	1	0	1	60	1	61
Commercial & Corporate	56	175	231	349	623	972
Total Bank	230	304	534	747	1,301	2,048

- Formations increased due to one US account
- GIL remained flat Q/Q at 67 bps
- Y/Y GIL decreased 24 bps from 91 bps to 67 bps

Formations (C\$MM)



Gross Impaired Loans (C\$MM)



1 Commercial & Corporate includes ~\$5MM GIL from Other Countries

2 Other Commercial & Corporate includes industry segments that are each <2% of total GIL

Canadian Residential Mortgages

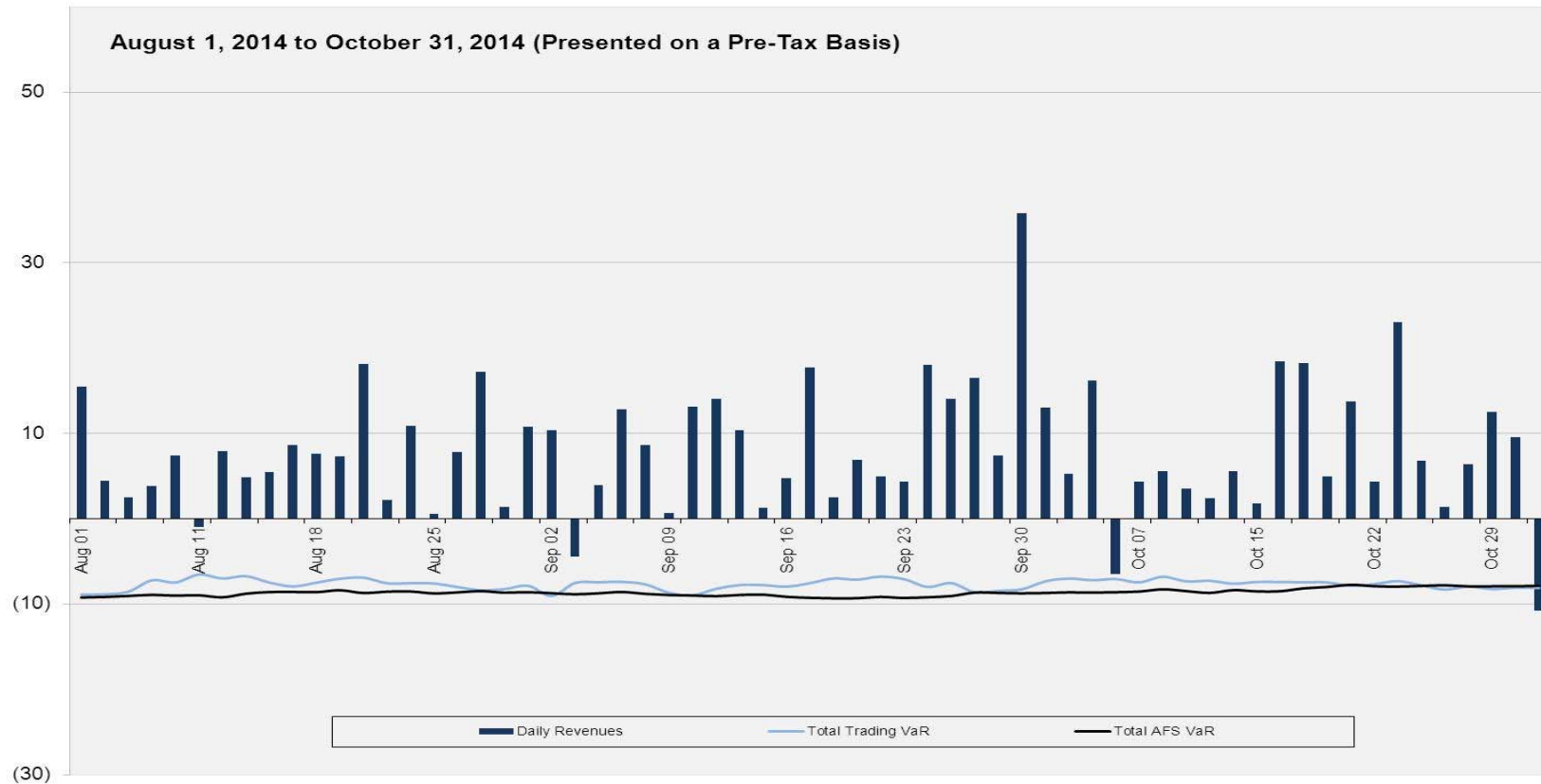
- Total Canadian residential mortgage portfolio at \$93.0B represents 43% of Canadian gross loans and acceptances
 - 63% of the portfolio is insured
 - Loan-to-value (LTV)¹ on the uninsured portfolio is 58%²
 - 68% of the portfolio has an effective remaining amortization of 25 years or less
 - Loss Rates for the trailing 4 quarter period were less than 1 bps
 - 90 day delinquency rate 27 bps
 - Condo Mortgage portfolio is \$13.3B with 54% insured

Residential Mortgages by Region (C\$B)	Insured	Uninsured	Total	% of Total
Atlantic	3.7	1.6	5.3	6%
Quebec	9.0	4.8	13.8	15%
Ontario	24.6	13.6	38.2	41%
Alberta	10.9	4.1	15.0	16%
British Columbia	7.9	9.2	17.1	18%
All Other Canada	2.4	1.2	3.6	4%
Total Canada	58.5	34.5	93.0	100%

¹ LTV is the ratio of outstanding mortgage balance to the original property value indexed using Teranet data. Portfolio LTV is the combination of each individual mortgage LTV weighted by the mortgage balance

² To facilitate comparisons, the equivalent simple average LTV on uninsured mortgages in Q4'14 was 51%

Trading Revenue vs. VaR



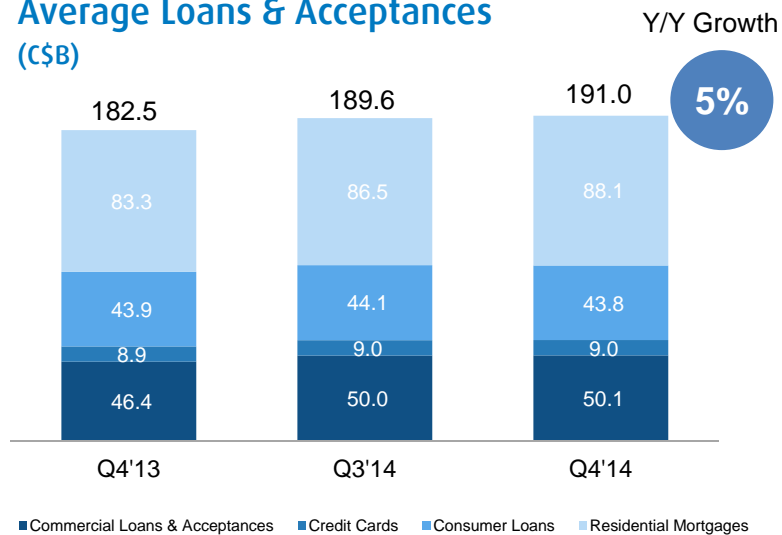
- The largest daily P&L gains for the quarter are as follows:
 - **Sep 30** – C\$36 million, primarily reflecting normal trading activity and underwriting
 - **Oct 23** – C\$23 million, primarily reflecting normal trading activity and valuation adjustment

- The largest daily P&L losses for the quarter are as follows:
 - **Sep 3** – C\$(4) million, primarily reflecting normal trading activity and valuation adjustment
 - **Oct 6** – C\$(6) million, primarily reflecting normal trading activity and valuation adjustment
 - **Oct 31** – C\$(11) million, primarily reflecting normal trading activity and adjustments

APPENDIX

Canadian Personal & Commercial Banking – Balances

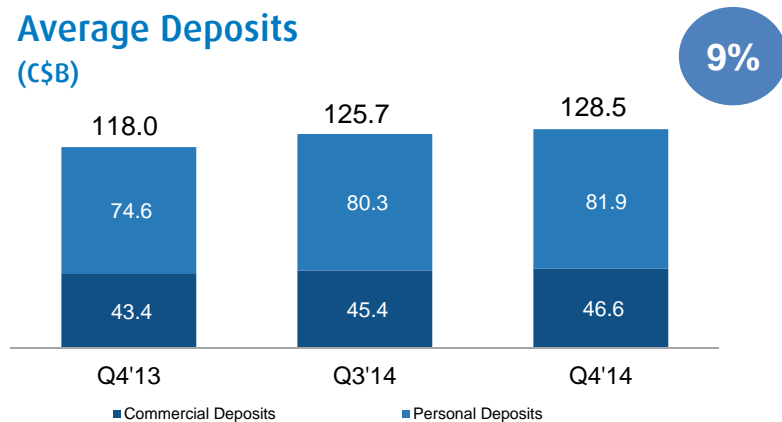
Average Loans & Acceptances (C\$B)



Loans

- Total loan growth of 5% Y/Y and 1% Q/Q
- Personal lending¹ balances up 4% Y/Y and 1% Q/Q, mortgages up 6% Y/Y and 2% Q/Q
- Commercial loan balances² up 8% Y/Y and flat Q/Q

Average Deposits (C\$B)



Deposits

- Strong growth in personal deposits, balances up 10% Y/Y and 2% Q/Q driven by term products
- Good growth in commercial deposits, balances up 7% Y/Y and 3% Q/Q

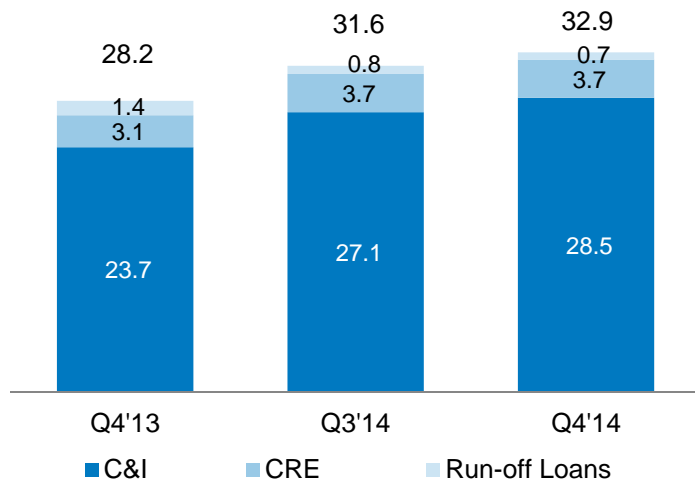
¹ Personal lending includes mortgages and consumer loans but excludes credit cards. Personal Cards balances approximately 89% of total credit card portfolio in each of Q4'14, Q3'14 and Q4'13

² Commercial lending growth excludes commercial cards. Commercial cards balances approximately 11% of total credit card portfolio in each of Q4'14, Q3'14 and Q4'13

U.S. Personal & Commercial Banking – Commercial Balances

All amounts in US\$B

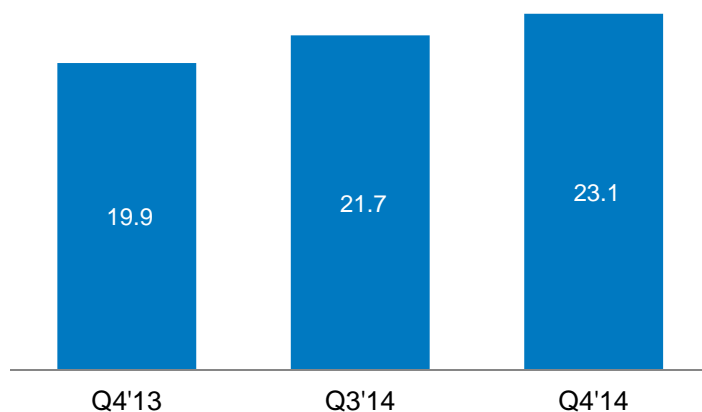
Average Commercial Loans



Loans

- Strong core C&I loan growth, up 21% Y/Y and 5% Q/Q with increases across all segments
- Core Commercial Real Estate portfolio continues to grow, up 18% Y/Y

Average Commercial Deposits



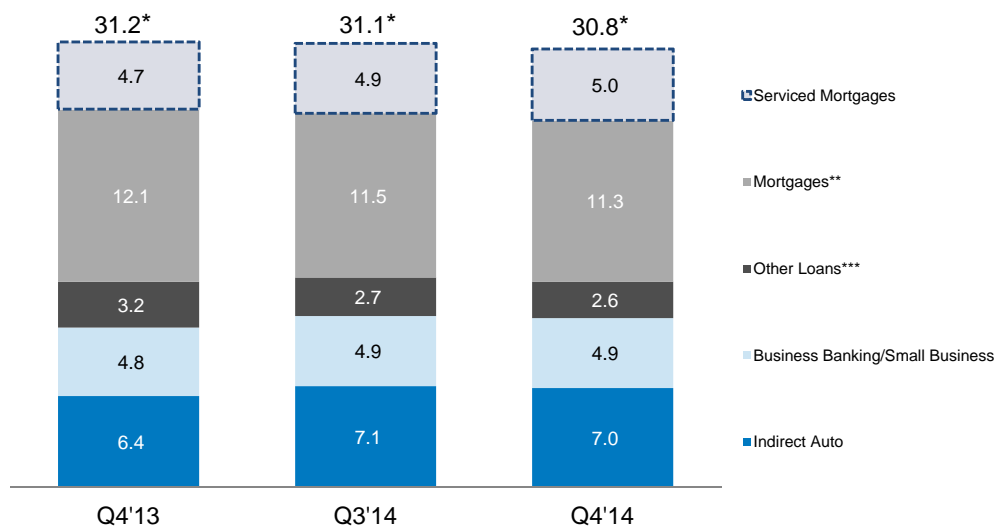
Deposits

- Deposits up 16% Y/Y and 7% Q/Q, primarily in chequing account balances

U.S. Personal & Commercial Banking – Personal Balances

All amounts in US\$B

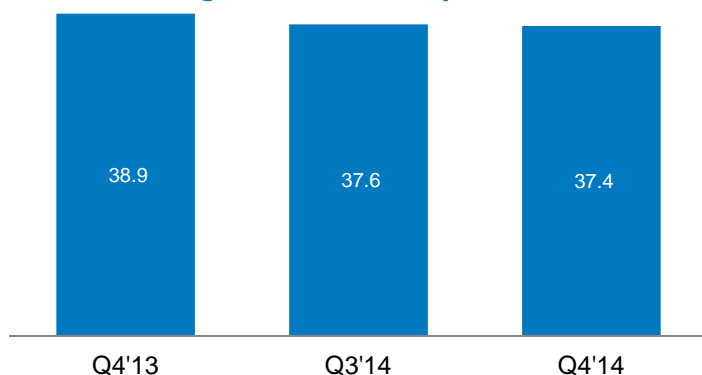
Average Personal Loans



Loans

- Core Business Banking up 4% Y/Y and flat Q/Q
- Indirect Auto up 8% Y/Y and down 2% Q/Q
- Serviced mortgage portfolio up 4% Y/Y and 1% Q/Q
- Mortgage portfolio down 7% Y/Y and flat Q/Q

Average Personal Deposits



Deposits

- Deposit balances relatively stable Q/Q. Y/Y down due to Q1 deposit balance transfer to Wealth Management and planned reductions in higher cost CDs
- Chequing balances up 8% Y/Y and 2% Q/Q

* Total includes Serviced Mortgages which are off-Balance Sheet and Wealth Management Mortgages

** Mortgages include Home Equity (Q4'14 \$4.6B; Q3'14 \$4.8B; Q4'13 \$5.2B) and Wealth Management Mortgages (Q4'14 \$1.4B; Q3'14 \$1.4B; Q4'13 \$1.3B)

*** Other loans include non-strategic portfolios such as wholesale mortgages, purchased home equity, and certain small business CRE, as well as credit card balances and other personal loans

Adjusting Items

Adjusting ¹ items – Pre-tax (\$MM)	Q4 13	Q3 14	Q4 14	F2013	F2014
Credit-related items on the purchased performing loan portfolio	49	-	-	406	-
Acquisition integration costs	(60)	(9)	(11)	(251)	(20)
Amortization of acquisition-related intangible assets	(31)	(39)	(42)	(125)	(140)
Decrease in the collective allowance for credit losses	-	-	-	2	-
Run-off structured credit activities	26	-	-	40	-
Restructuring costs	-	-	-	(82)	-
Adjusting items included in reported pre-tax income	(16)	(48)	(53)	(10)	(160)

Adjusting ¹ items – After-tax (\$MM)	Q4 13	Q3 14	Q4 14	F2013	F2014
Credit-related items on the purchased performing loan portfolio	30	-	-	250	-
Acquisition integration costs	(37)	(7)	(9)	(155)	(16)
Amortization of acquisition-related intangible assets	(22)	(29)	(32)	(89)	(104)
Increase in the collective allowance for credit losses	(5)	-	-	(9)	-
Run-off structured credit activities	20	-	-	34	-
Restructuring costs	-	-	-	(59)	-
Adjusting items included in reported net income after tax	(14)	(36)	(41)	(28)	(120)
Impact on EPS (\$)	(0.02)	(0.06)	(0.07)	(0.04)	(0.18)

¹ Amortization of acquisition-related intangible assets reflected across the Operating Groups, F&C acquisition integration costs reflected in Wealth Management, all other adjusting items reflected in Corporate Services. Adjusted measures are non-GAAP measures. See slide 2 of this document, page 32 of BMO's 2014 Annual MD&A and page 19 of BMO's Fourth Quarter 2014 Earnings Release.

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